

# M e m o r a n d u m

To: Panel Members Date: August 27, 2004

From: Dolores Kendrick, Manager Analyst: R. Dawson

Subject: ONE-STEP AGREEMENT FOR **RWM FIBER OPTICS, INC.**

## **CONTRACTOR:**

- Multiple Employer: Training Agency
- Training Project Profile: Job Creation: Training Of Unemployed Workers
- Legislative Priorities: Displaced/Potentially Displaced Workers And Workers Who Have Received Notice Of Impending Layoff
- Type of Industry: Communication
- Repeat Contractor: Yes
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: None Of The Core Group Of Employers Is Represented By A Collective Bargaining Agreement.

## **CONTRACT:**

- Program Costs: \$189,000
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$12,075
- Total ETP Funding: \$201,075
- Total In-kind Contribution: \$292,412
  - Trainee Wages Paid During Training: \$159,162
  - Other Contributions: \$133,250
  - Maximum Contractor Charge to Participating Employers: \$0 Per Trainee
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Statewide

## **INTRODUCTION:**

This is the second Agreement between RWM Fiber Optics, Inc., and the Employment Training Panel.

RWM Fiber Optics (RWM) is a private post secondary technical school founded in 1994. RWM Fiber Optics, Inc., is eligible to provide ETP training under Title 22 California Code of Regulations 4426(a)(6) training agency and (b) an institution approved and certified by the Bureau for Private Postsecondary and Vocational Education (BPPVE). Participating employers will meet ETP's funding priorities to "train workers who have been displaced because of plant closure, workforce reduction, changes in technology, or significantly increasing levels of international and out-of-state competition, as specified in Unemployment Insurance Code, Section 10200 (b)(4).

## **MEETING ETP GOALS AND OBJECTIVES:**

RWM proposes training that will further the following ETP goals and objectives:

This project meets ETP's mandate to foster job creation of high-wage, high-skilled jobs and will result in secure jobs for those who successfully complete training.

The training is targeted to train workers who have been displaced, have received notification of impending layoff, or are subject to displacement, because of a plant closure, workforce reduction or changes in technology.

The training will be customized for the Cable Television/Satellite industry and include general skills that trainees can use in the future.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job 1 – New Hire	Commercial Skills	35	360	0	\$5,745	*10.15 - \$16.00
					<b><u>Prevalent Hourly Wage</u></b> \$13.00	
					<b><u>Average Cost Per Trainee</u></b> \$5,745	
<b><u>Health Benefits Used To Meet ETP Minimum Wage:</u></b> Health Benefits may be added to the calculation of trainee's wage to meet the ETP minimum hourly rate of \$10.15 per hour for Los Angeles and Orange Counties.					<b><u>Turnover Rate</u></b> 20%	<b><u>% Of Mgrs &amp; Supervisors To Be Trained:</u></b> N/A
<b><u>Other Employee Benefits:</u></b> In addition to medical, dental and vision benefits, employer-paid benefits may include, but not limited to sick leave, vacation, life insurance and retirement.						

### **COMMENTS / ISSUES:**

#### ➤ **New Hire Recruitment Plan**

Trainees will be recruited through a number of local One-Stop agencies, community-based organizations such as churches, non-profits and quasi-governmental agencies like the City of Los Angeles Youth and Family Centers. RWM will also utilize Employment Development Department local field offices to assist in identifying eligible candidates. Advertising in local newspapers will also be used to recruit trainees.

#### ➤ **Justification for High Training Costs**

The Panel's policy for Multiple Employer Contracts requires that when the requested cost is more than double the ETP average cost or over \$3,078 per trainee, the Multiple Employer contractor must provide evidence to justify the high cost per trainee.

Trainees will receive 360 hours of class/lab training at a reimbursement of \$5,400 (\$15.00 an hour x 360 hours) per trainee which is more than double the ETP average per trainee reimbursement. Because the skills learned in this specialized occupation require a significant degree of technical aptitude, a minimum 360 hours of training is required to gain entry-level positions. Through the process of assessing employers' training needs, it became clear that in order to provide a properly trained cable television/satellite installer, a comprehensive program comprised of at least 360 hours of classroom training and hands-on lab work was required. According to RWM, because of the lack of properly trained technicians, the new hires coming from the proposed ETP-funded training will be moving into employment with demonstrated career paths; for example, an ETP-trained installer will be able to move into the service tech position, to supervisor of a crew, to line technician, each with a commensurate wage progression. RWM reports that based on its experience, entry level positions, on average, start at \$12.00 per hour and with subsequent promotions, a trainee can receive up to \$35.00 per hour.

### **PROPOSED ACTION:**

Staff recommends that the Panel:

- (1) Approve this One-Step Agreement based on the fact that training will provide jobs for unemployed workers in an occupation with specialized skills that are in demand and intended to provide secure jobs.
- (2) Approve this Agreement if funding is available and the project meets the Panel priorities.

## **NARRATIVE:**

RWM Fiber Optics, Inc., is a private, post-secondary technical school that provides telecommunications training in two programs: Cable TV/Satellite Installer Technician and Fiber Optic Broadband Technician.

RWM is requesting funding to train unemployed individuals who are currently receiving Unemployment Insurance, or have exhausted their unemployment benefits within the last 24 months, or have received a lay-off notice. These individuals will receive training in the Cable TV/Satellite Installer Technician Program.

### ***Employer Demand***

Panel policy requires multiple employer contractors provide evidence of employer demand for training.

RWM's employer base is comprised of broadband service companies that hold contracts to construct, install, upgrade, service and maintain broadband fiber optic, satellite and cable television systems in the Los Angeles and Southern California areas. Some of RWM's core employers are Mastec, Sunshine, AT&T/Comcast, Pacific Broadband, Mountain Satellite, Picture Perfect, Wire to Wire, Globe Communications and Dish Network. Some companies specialize in cable television, others in satellite installation and others on the telephone side of the industry and many of the employers have now moved into doing all forms of broadband installations. The Contractor reports that due to the recent changes in federal law allowing cable companies to enter into the local telephone markets and telephone companies to deliver television programming over their local telephone lines, competition has increased significantly in both the cable television and traditional broadcast television markets. The Contractor also states the ongoing consolidation within the cable television industry has increased customers' demand for more services and system upgrades which has created a strong demand for companies to hire many more installers, splicers and construction technicians. According to the Contractor, these employers have expressed a growing need for well-trained technicians as business increases. In fact, satellite's Direct TV reported that it has just added its 12 millionth subscriber and is growing everyday. This demand is projected to increase by double digits for at least the remainder of the decade by both the U.S. Department of Labor and the broadband industry itself. Also, technology in the field of telecommunications is ever changing, making it necessary for employers to have a workforce that is up-to-date on new equipment and technological changes within the industry. However, employers have expressed how difficult it is to hire new employees because they cannot find new hires that are able to just "walk in" and do the job. RWM regularly communicates with employers in the cable television industry that have expressed the need for a formal, comprehensive broadband training program that would address the needs of the industry in general and also specific needs for their individual companies.

RWM's marketing plan also includes an ongoing relationship with companies in the telecommunications industry technical advisory group. RWM works closely with this advisory group on the development of curriculum content and training techniques. This advisory group provides RWM with the latest information on specific system requirements to help RWM provide the best up-to-date training to better prepare the trainee for employment. RWM also meets regularly with individual employers to discuss their specific training needs. These discussions

**NARRATIVE:** (continued)

include reviewing existing and proposed curriculum and laboratory training techniques, trends, and changes in technology. The employers will then review the information, make suggestions, revisions and provide feedback to RWM. The information is then compiled and the necessary updates and/or revisions to the curriculum are reviewed with the RWM instructional staff. The final revision of the curriculum is then sent back to the employers for final review along with a training and class completion schedule to facilitate immediate employment upon completion of training. This process has been incorporated into RWM policies and procedures manual and is done at least once every six months to ensure continuous employer feedback that will help RWM to maintain an effective training program.

Therefore, RWM proposes to train 35 new-hire trainees. These new-hire trainees will receive 360 class/lab training hours in Cable Television/Satellite Installer Skills to prepare them for secure, long-term employment in this emerging industry. This training program is the same as the previous project and provides the following curriculum:

**Commercial Skills:**

The training will include the following courses/topics: cable theory, customer relations, safety, cables and connectors, bonding and grounding, aerial drop installations, underground drop installations, wiring, terminal devices, direct satellite system, pole climbing, cable modems, fiber optic technology, and wireless systems.

Training will take place at RWM's two locations in Carson and San Marcos. Classroom/Lab training will be conducted at the Carson facility and pole climbing and ladder management techniques will take place at the San Marcos site.

***Employer Commitment to Training for New Hires***

After completion of training and during the 90-day retention period, participating employers will provide additional on-the-job training. RWM reports that following training, employers provide ongoing assessment and quality checks during the trainee's first month of employment, requiring staff to accompany trainees on field appointments to observe trainees and also follow-up on service provided. Employers also provide training on the main service operators' specific requirements on installations, policies and procedures on how to deal with customers and also how to complete paperwork.

**SUBCONTRACTORS:** N/A

**THIRD PARTY SERVICES:** N/A

**PRIOR PROJECTS:**

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Amount Earned		Planned In-kind Contribution	Reported In-kind Contribution
			\$	%		
ET03-0102	Carson	07/08/02- 07/07/04	*	*	\$100,040	\$150,000

Although the term end date of this Agreement was July 7, 2004, the contract has not closed. RWM reports that 29 trainees have completed the 90-day retention period. RWM commented that two more trainees are projected to complete retention by October 6, 2004, and therefore, RWM projects to complete 31 trainees (91 percent).

## **RWM FIBER OPTICS, INC.**

### CURRICULUM

#### Class/Lab Hours

360

### **Commercial Skills**

#### **Cable Theory**

- Cable Television (CATV) Origins
- Competition
- CATV Operations
- Job Description
- Local System

#### **Customer Relations**

- Introductions
- Objectives
- Professionalism
- Communications
- Service Calls

#### **\*Safety**

- Personal Protective Equipment
- Ladders/Poles/Power

#### **Cables and Connectors**

- Drop Cable Characteristics
- Drop Cable Electrical Characteristics
- Drop Cable Physical Characteristics
- Connectors

#### **Bonding and Grounding (National Electrical Code)**

- Introduction
- Rationale for Bonding
- Bonding and Grounding Codes
- Building Grounding Electrode System
- Ground vs. Bond
- Methods and Priorities



**RWM FIBER OPTICS, INC.**  
CURRICULUM (continued)

**Aerial Drop Installations**

- Introduction
- Objectives
- Types of Installations

**Underground Drop Installations**

- Objectives
- Underground Installation Methods
- Burying the Drop
- Obstructions
- Site Survey
- Route Selection
- Completing the Drop

**Exterior/Interior Wiring**

- Introduction
- Objectives
- Basic Building Construction
- Basics of Exterior Routing

**Drilling for Cable Entry**

- Basics of Interior Routing
- Routing for Cable Lines

**Terminal Devices**

- Introduction
- Objectives
- Customer Equipment
- Tuners and Receivers
- Frequency Plans
- Converters
- Signal Security
- Televisions

**Direct Satellite System (DDS)**

- History
- System Technology
- Site Survey/Installation

## **RWM FIBER OPTICS, INC.**

### **CURRICULUM (continued)**

- Surge Protection/Primary Hookup
- Test Equipment
- Multiroom Distribution
- Customer Education

### **Pole Climbing**

- Introduction to Pole Climbing
- Inspection of Safety Equipment
- \*Safety
- Climbing Techniques
- Ladder Handling

### **Cable Modems**

- Introduction
- Background
- Modem Technology
- Materials
- Installation

### **Fiber Optic Technology**

- Introduction to Fiber Optics and Common Terminology
- Applications of Fiber Optics in the CATV industry
- Hybrid Fiber Coax (HFC) Networks
- Transmission
- Connector Types and Applications
- Basic Optical Network Design
- Introduction to Optical Testing

### **Wireless Systems**

- Introduction
- Background
- Pros and Cons
- Technology
- Networks
- Standards
- Installation
- System Access

**\*Safety training will not exceed 10% of the total curriculum hours.**

## Participating Employers in Retrainee/New Hire Multiple Employer Contracts

Contractor's Name: RWM Fiber Optics, Inc.

CCG No.: ET05-0169

Reference No: 04-0414

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PRINT OR TYPE

Company: Comcast

Address: 550 N. Continental Blvd

City, State, Zip: Culver City, CA 90245

Contact Person/Title: Pam Mathieu, Human Resources

Telephone No.: 310-647-3008

Collective Bargaining Agreement(s): No

Estimated #of employees to be retrained or hired under this Agreement: 5-15

Total # of full-time company employees worldwide: 1800

Total # of full-time company employees in California: 500

Company: Great Lakes Cable

Address: 9030 Kenamar Dr. Suite 315

City, State, Zip: San Diego, CA 92121

Contact Person/Title: Sandro Gutierrez, Human Resources Personnel

Telephone No.: 858-549-1178

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained or hired under this Agreement: 7

Total # of full-time company employees worldwide: 300

Total # of full-time company employees in California: 50

Company: Mastec North America, Inc.

Address: 821 N. Nash Street

City, State, Zip: El Segundo, CA 90245

Contact Person/Title: Gwen (Human Resources) or Mike Sheppard (Project Manager)

Telephone No.: 336-672-1244 or 310-640-8101

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained or hired under this Agreement: 10

Total # of full-time company employees worldwide: 1000

Total # of full-time company employees in California: 100

## Participating Employers in Retrainee/New Hire Multiple Employer Contracts

Contractor's Name: RWM Fiber Optics, Inc.

CCG No.: ET05-0169

Reference No: 04-0414

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PRINT OR TYPE

Company: Max Electric Corp.

Address: 1423 Leslie Court

City, State, Zip: San Marcos, CA 92069

Contact Person/Title: Jeff Martin, Installation Manager

Telephone No.: 760-740-9003

Collective Bargaining Agreement(s): No

Estimated #of employees to be retrained or hired under this Agreement: 3

Total # of full-time company employees worldwide: 10

Total # of full-time company employees in California: 10

Company: Mountain Satellite

Address: 1289 Simpson Way

City, State, Zip: Escondido, CA 92029

Contact Person/Title: Wyntress More, Human Resource Manager

Telephone No.: 760-739-0088

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained or hired under this Agreement: 5

Total # of full-time company employees worldwide: 100

Total # of full-time company employees in California: 100

Company: Pacific Broadband

Address: P.O. Box 1191

City, State, Zip: Hermosa Beach, CA 90254-1191

Contact Person/Title: Mike Leonti, Operations Manager

Telephone No.: 310-863-8644

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained or hired under this Agreement: 7

Total # of full-time company employees worldwide: 60

Total # of full-time company employees in California: 60

## Participating Employers in Retrainee/New Hire Multiple Employer Contracts

Contractor's Name: RWM Fiber Optics, Inc.

CCG No.: ET05-0169

Reference No: 04-0414

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PRINT OR TYPE

Company: Picture Prefect Installation

Address: 14770 Firestone Blvd #270

City, State, Zip: La Mirada, CA 90638

Contact Person/Title: Todd Flynn, President

Telephone No.: 714-521-1708

Collective Bargaining Agreement(s): NO

Estimated #of employees to be retrained or hired under this Agreement: 8

Total # of full-time company employees worldwide: 200

Total # of full-time company employees in California: 200

Company: Sunshine Communication

Address: 355 E. Beach Avenue

City, State, Zip: Inglewood, CA 90302

Contact Person/Title Mark Worley, Installation Supervisor

Telephone No.: 619-516-1700

Collective Bargaining Agreement(s): NO

Estimated # of employees to be retrained or hired under this Agreement: 5

Total # of full-time company employees worldwide 110

Total # of full-time company employees in California: 110

Company: Voxxcom

Address: 5601 W. Slauson Avenue #170

City, State, Zip: Culver City, CA 90230

Contact Person/Title: Irene Vasquez, Installation Coordinator

Telephone No.: 310-641-1500

Collective Bargaining Agreement(s): NO

Estimated # of employees to be retrained or hired under this Agreement: 10

Total # of full-time company employees worldwide: 100

Total # of full-time company employees in California: 100